

News Release



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Labor Department Obtains Restitution for Participants of Minnesota 401(k) Plan

ST. PAUL, Minn.--The U.S. Department of Labor obtained a consent judgment and order on May 7, 2003, requiring an executive of Argir.com Technology Solutions, Inc. in Woodbury, Minn. to restore \$10,073.73 as restitution for failing to forward employee contributions to the company's 401(k) plan.

The judgment also requires Frederic Argir to terminate the plan and distribute the assets to plan participants, to file with the federal government all required annual reports for plan years 2001 to 2003 and to be barred for three years from dealing with plans governed by the Employee Retirement Income Security Act. (ERISA).

"Our action today restores to the plan assets that were improperly used to benefit the employer and makes assets available to pay benefits owed to workers," said Gregory Egan, director of the Kansas City regional office of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

The lawsuit, filed on Feb. 19, 2003 in federal district court in St. Paul, alleged that Argir violated the ERISA by failing to remit \$9,242 in contributions withheld from employees' paychecks from July 2001 to November 2001 and used the money to benefit the company. Argir was the president and chief executive officer of the company as well as a trustee of the plan.

The department also filed an adversary complaint in U.S. Bankruptcy Court in St. Paul to prevent Argir from discharging his debts to the plan in bankruptcy proceedings. The company filed for Chapter 7 bankruptcy on May 7, 2002. Argir filed for personal bankruptcy on Sept. 13, 2002.

The company, which ceased business operations on Oct. 15, 2001, provided computer consulting, networking, website development and webhosting services. The plan had \$18,427 in assets and 13 participants as of Dec. 31, 2001.

Egan noted that employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP see www.dol.gov/ebsa.

Employers and workers can contact the regional office at (816) 426-5131 or EBSA's toll free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector pension and health plans.

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(Chao v. Frederic D. Argir)
Civil Action No. 03-1123 PAM/RLE
Adversary Complaint No.03-3052